



**STATEMENT OF PROCEEDINGS
FOR THE SPECIAL MEETING OF THE
LOS ANGELES GRAND AVENUE AUTHORITY
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 140
LOS ANGELES, CALIFORNIA 90012**

Monday, December 10, 2012

10:00 AM

AUDIO LINK FOR THE ENTIRE MEETING. (12-5788)

Attachments: [AUDIO](#)

Present: Chair Gloria Molina, Secretary William T Fujioka, and Director Christine Essel. Director José Huizar joined the meeting after roll call.

I. ADMINISTRATIVE MATTER

1. Call to Order by Chair Gloria Molina (12-5640)

Chair Molina called to order the forty-second meeting of the Los Angeles Grand Avenue Authority at 10:08 a.m., with a quorum of members present.

2. Recommendation: Approve minutes of the meeting held September 24, 2012 (12-5641)

On motion of Director Essel, seconded by Secretary Fujioka, and unanimously carried (Director Huizar being absent), this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

3. Election of Officers. (12-5642)

Election of Chair: On motion of Secretary Fujioka, seconded by Director Essel, there being no objection (Director Huizar being absent) Honorable Gloria Molina was re-elected as Chair

Election of Vice Chair: On motion of Secretary Fujioka, seconded by Director Essel, there being no objection (Director Huizar being absent) Honorable Jose Huizar was elected as Vice Chair

Election of Secretary: On motion of Chair Molina, seconded by Director Essel, there being no objection (Director Huizar being absent) William T Fujioka was re-elected as Secretary

II. REPORTS

4. Status Update on the Grand Avenue Project Phase IIA, Parcel L (Broad Museum) located at 221 South Grand Avenue, Los Angeles, CA- Jenny Scanlin. (12-5643)

Jenny Scanlin, Regional Administrator, Community Redevelopment Agency of the City of Los Angeles (CRA/LA), A Designated Local Authority, provided an update on the Grand Avenue Project Phase IIA, Parcel L (Broad Museum). Ms. Scanlin reported that all plans for the Broad Museum are going accordingly; parking garage concrete has been poured and completed, museum steel framing is being done, and they are working with the fabricator on the museum skin to reflect the original concept submitted. Completion of the project is scheduled to take place by the end of the year 2013 with the first part of 2014 being used to prepare for the exhibits that will be displayed at the grand opening event. The grand opening is scheduled to take place in June or July of the year 2014.

5. **III. RECOMMENDATIONS**

Approvals and actions related to the Third Amendment to Disposition and Development Agreement for Grand Avenue Project - Phase IIB, Parcel M -2 (apartments, including affordable units, and retail restaurant uses) located at 225-237 South Grand Avenue, Los Angeles, CA - Jenny Scanlin.

- a. Acting as lead agency, find that the recommended actions are within the scope of the Grand Avenue Project in the previously certified Final Environmental Impact Report and Addendum.
- b. Approve and authorize the Chair, or her designee, to execute the Third Amendment to the Disposition and Development Agreement and ancillary documents which revise the Scope of Development for Grand Avenue Project-Phase IIB and delineate the terms and conditions for financing, development and lease of Parcel M-2 (see Attachment A, Location Map).
- c. Approve and authorize the Chair, or her designee, to consent to Grand Avenue Los Angeles, LLC's assignment and assumption agreement with

Grand Avenue M Housing Partners, LLC with respect to certain rights to Grand Avenue Project-Phase IIB under the Disposition and Development Agreement, as amended, in order to permit Grand Avenue M Housing Partners, LLC to construct the mixed use project on Parcel M-2.

d. Authorize the Chair, or her designee, to execute (1) a ground lease with the CRA/LA, a Designated Local Authority in substantial conformance with the form of ground lease contained in the Third Amendment to the Disposition and Development Agreement to reflect the specifics of the transaction; and (2) two sub-ground leases between: (i) the Authority and Grand Avenue M Housing Partners, LLC for development of Parcel M-2 and operation of the affordable units; and (ii) the Authority and Grand Avenue M Urban Housing, LLC for operation and ownership of the market rate units and retail space and to take such other actions as may be necessary to carry out the transaction.

e. Adopt the resolution attached (Attachment B, Resolution), making the findings that Find that an economically feasible alternative of financing the affordable housing on substantially comparable terms and conditions but without subordination of the Authority affordable housing covenants and use restrictions is not reasonably available, and authorize the Authority's negotiation and execution by the Chair or her designee of agreements subordinating the Authority's Deed of Trust, affordable housing covenants and use restrictions to the senior loans to be provided for the Phase IIB development.

f. Authorize the application of proceeds from any repayment of the \$5.9 million Affordable Housing Loan to develop new affordable units in Downtown Los Angeles and authorize the Authority's negotiation and execution by the Chair or her designee of an agreement between the Authority and the City of Los Angeles to allow for the transfer of loan repayment proceeds for this purpose.

g. Approve a change to the Schedule of Performance contained in the Third Amendment to the Disposition and Development Agreement, as requested by Grand Avenue L.A., LLC, for Grand Avenue Project-Phase IIB, to extend the outside completion date for Phase IIB by 3 months, from March 31, 2015 to June 30, 2015, in order to conform to the 3-month extension previously granted by the Authority for the Commencement of Construction of Phase IIB.

h. Authorize the Chair, or her designee, to execute (1) the listed documents and ancillary documents (Attachment C, Summary of Transaction Documents) attached to the specifically listed documents all substantially in the forms attached or presented, including but not limited to grant and loan agreements necessary to transfer funds contributing to the Grand Avenue Project-Phase

IIB affordable housing which are held for that purpose by the Authority, reciprocal easement and estoppel documents and (2) any other documents necessary to implement and effect the Authority approvals for Grand Avenue Project-Phase IIB, and in accordance with the Disposition and Development Agreement, as amended, all after approvals as to form by Authority counsel.

i. Designate as authorized to execute documents for the Chair for these approvals, if necessary or convenient for timely execution of project documents, either the Vice-Chair or Secretary of the Authority. (12-5644)

Jenny Scanlin, Regional Administrator, Community Redevelopment Agency of the City of Los Angeles (CRA/LA), A Designated Local Authority, stated that the Third Amendment to Disposition and Development Agreement (DDA) for Grand Avenue Project-Phase IIB, Parcel M-2, is in relation to the technical and structural changes that have impacted the project and its financing. Ms. Scanlin provided an overview of accomplishments. The next Phase IIB will be a 20 story mixed use residential building with various types of units and restaurant space. Amenities will include a swimming pool, a rooftop terrace, party room, barbeque deck, a garden, and a dog run. Arquitectonica is the selected architect firm and the design of the building will complement the Museum. Ms. Scanlin also provided a brief summary of the projects financial operations.

Ms. Scanlin reported that the Third Amendment to DDA will address the changes in the number of units, affordability, parking, and retail space for both plaza and residential building. In addition to structure changes, the expected timeframe for completion according to the developer will be 26 months versus 30 months.

At the request of Vice Chair Huizar, Ms. Scanlin confirmed that there will be 271 residential units available.

Ms. Scanlin also explained the art policy waiver and stated that due to a building flaw, a small unbuildable canyon between the plaza and promenade created an easement. The proposed plan for the easement is to create a pocket park that will connect the plaza to the promenade.

Chair Molina expressed concern as to whom the waiver was obtained from and who will fund the plan. Ms. Scanlin stated that the waiver was obtained through the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) and an art policy and funds are being set aside.

Chair Molina re-iterated what Ms. Scanlin explained and questioned the negotiation process with the neighboring building owner. Ms. Scanlin confirmed that the negotiation process has not begun; however it is in the future plan.

Vice Chair Huizar questioned the reason for not having a precondition to the execution of the ground lease. Ms. Scanlin explained that due to the amount of detail a side letter explaining the terms for each party has been agreed upon therefore no future impact is foreseen.

Ms. Scanlin reported that the Third Amendment to DDA will also address the change in developer for project phase IIB; the original developer was Grand Avenue L.A. LLC (GALA) however they have assigned all their rights over to Grand Avenue M Housing Partners, LLC, who will develop and construct the entire project. Upon completion they will assign the market rate portion to Grand Avenue M Urban Housing, LLC and the affordability section will be maintained by Grand Avenue M Housing Partners, LLC.

At the request of Chair Molina, Ms. Scanlin confirmed that Grand Avenue M Housing Partners, LLC, will be responsible for the affordable housing section of the project.

Chair Molina expressed concern over the exchange process of the accessibility for the affordability housing section and any future changes after change in ownership. Ms. Scanlin explained that a management and leasing plan must be submitted for approval and the Los Angeles Housing Department will absorb all the covenants on behalf of the Los Angeles County.

Discussion on the succession of the housing section after the dissolution of the JPA ensued.

Chair Molina expressed concerned over details about the successor entity not specified in any documentation and assurance that the affordable units section will be maintained at the lowest price possible. Ms. Scanlin confirmed that the Los Angeles Housing Department is the proposed future successor.

Vice Chair Huizar requested specific language be included to the Third Amendment to DDA in reference to Chair Molina's concern over the

successor entity's role in the affordability section. Tim Chung, City Attorney, suggested that a motion directing staff to research the successor's delegated authority and to reaffirm little to no changes from the original plan would be a more favorable approach.

Chair Molina asked if affordability can be bought out. Ms. Scanlin affirmed that affordability can never be bought out due to the 99 year covenant tied to the land.

Discussion ensued on clarification of who will be the successor entity after JPA dissolves and what their role will entail.

At the request of Chair Molina, Ms. Scanlin explained the following financial operations:

- Acquisition fee has been contributed
- Affordable loan may receive residual receipts
- JPA finances go directly to JPA
- Trust fund dollars must go back to affordable housing section
- Profit participation will be divided, 67% to L. A. County, 33% CRA/LA

Vice Chair Huizar confirmed to the Authority that all documentation before them has been reviewed by counsel.

On motion of Secretary Fujioka, seconded by Director Essel, this item was approved and Authority Counsels were asked to report back on options once the JPA is dissolved and ensuring access to affordable housing.

Attachments: [SUPPORTING DOCUMENT](#)
[SUPPORTING DOCUMENT - ATTACHMENT A](#)
[SUPPORTING DOCUMENT - ATTACHMENT B](#)
[SUPPORTING DOCUMENT - ATTACHMENT C](#)
[SUPPORTING DOCUMENT - ATTACHMENT D](#)
[SUPPORTING DOCUMENT - ATTACHMENT E](#)
[SUPPORTING DOCUMENT - ATTACHMENT F](#)
[SUPPORTING DOCUMENT - ATTACHMENT G](#)
[SUPPORTING DOCUMENT - ATTACHMENT Ga](#)

IV. MISCELLANEOUS

6. Discussion of Future Agenda Items and Date of Next Meeting- Dawn McDivitt. (12-5645)

Dawn McDivitt, CEO, reported that the December 24, 2012 meeting has been cancelled and the next meeting will be held on January 28, 2013.

7. Public Comment. (12-5646)

No members of the public addressed the Commission.

8. Adjournment. (12-5647)

There being no further business to discuss, Chair Molina Adjourned the meeting at 11:05 a.m.